

## **Table of Contents**

**State/Territory Name: NH**

**State Plan Amendment (SPA) #: 13-0013**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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**AUG 28 2014**

Nicholas A. Toumpas, Commissioner  
Department of Health and Human Services  
State of New Hampshire  
129 Pleasant Street  
Concord, NH 03301

RE: New Hampshire SPA 13-013

Dear Mr. Toumpas:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 13-013. Specifically, this amendment revises the disproportionate share hospital (DSH) adjustment methodology for critical and non-critical access hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447. We are pleased to inform you that Medicaid State plan amendment 13-013 is approved effective November 1, 2013. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

A large black rectangular redaction box covers the signature of the sender. To the right of the main redaction box is a smaller, separate black square redaction mark.

Cindy Mann  
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
13-013

2. STATE  
NH

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
November 1, 2013

5. TYPE OF PLAN MATERIAL (*Check One*):

- NEW STATE PLAN
  AMENDMENT TO BE CONSIDERED AS NEW PLAN
  AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
SSA 1923 and 42 CFR Part 447

7. FEDERAL BUDGET IMPACT:  
\$23,460,207 – FFY 2014  
0 – FFY 2015

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, page 5a  
Attachment 4.19A, page 5b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

Attachment 4.19A, page 5a, TN 11-006  
Attachment 4.19A, page 5b, TN 11-006

10. SUBJECT OF AMENDMENT:

Disproportionate Share Hospital (DSH) Payment Adjustment - Inpatient

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
  OTHER, AS SPECIFIED: comments, if any, will follow
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

16. RETURN TO:

Dawn Landry  
Division of Family Assistance/Brown Building  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301

13. TYPED NAME: Nicholas A. Toumpas

14. TITLE: Commissioner

15. DATE SUBMITTED:  
November 6, 2013

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED: **AUG 28 2014**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**NOV 01 2013**

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]

21. TYPED NAME: *Penny Thompson*

22. TITLE: *Deputy Director, Policy + Financial Mgt. EMS*

23. REMARKS:

**Disproportionate Share – Payment Adjustment**

The second type of payment adjustment is to in-state, non-public general hospitals and special rehabilitation hospitals which qualify as follows:

(a) The hospital must have at least 2 obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under the state Medicaid plan. The term "obstetrician" includes any physician with staff privileges at the hospital to perform non-emergency obstetric procedures. The above obstetric-related criteria do not apply to hospitals in which the inpatients are predominantly individuals under 18 years of age, or to hospitals which do not offer non-emergency obstetric services as of December 21, 1987.

(b) All disproportionate share hospitals must, in addition to the qualifying conditions noted above, have a Medicaid utilization rate equaling or exceeding 1%. The Medicaid utilization rate shall be computed using the formulas specified in Section 1923(b)(2) of the Social Security Act.

The DSH payment adjustment methodology is detailed in 1, 2, and 3 below. Non-public hospitals participating in Medicaid will receive a DSH payment adjustment in an amount as specified in items 1, 2, or 3 below, provided that they meet the qualifying criteria stated in items (a) and (b) above.

1. **"Deemed DSH" Hospitals:** Any deemed DSH hospital that meets the criteria under 42 U.S.C. 1396r-4(b) will receive a payment adjustment, regardless of whether they participate in the NH Medicaid Care Management Program, in an amount otherwise in accordance with paragraph #2 below, if the deemed DSH hospital is a critical access hospital, or paragraph #3 below, if the deemed DSH hospital is not a critical access hospital.

2. **Critical Access Hospitals:** Each Critical Access Hospital (CAH) that participates in the provider network of the NH Medicaid Care Management program shall receive a DSH payment equal to 75% of the hospital's uncompensated care costs, where "uncompensated care costs" are calculated in accordance with the federal requirements of 42 U.S.C. 1396r-4(g) and any federal regulations or formal subregulatory guidance promulgated or issued by the federal oversight agency, the Centers for Medicare and Medicaid Services (CMS), further defining or interpreting such federal statutory requirements. This payment amount is reconciled in a subsequent year to account for variances identified between projected uncompensated care costs and actual uncompensated care costs as determined by the independent certified audit performed pursuant to 42 CFR, Part 455, Subpart D.

3. **Other DSH Qualifying, Non-Public Hospitals:** Each DSH qualifying hospital that is not a public or critical access hospital (i.e., a non-CAH) and that participates in the provider network of the NH Medicaid Care Management program shall receive a DSH payment adjustment in an amount proportional to, but not greater than, each such hospital's total allowable uncompensated care costs as estimated by the NH Department of Health and Human Services based on the best available data. The Department will distribute these DSH payments annually to qualifying, non-public, non-CAH's. Funding for state fiscal year 2014 for this category of DSH hospitals is \$43,527,101. Each hospital's total uncompensated care costs are defined consistent with 42 U.S.C. 1396r-4(g) and any federal regulations or formal subregulatory guidance promulgated or issued by the federal oversight agency, the Centers for Medicare and Medicaid Services (CMS), further defining or interpreting such federal statutory requirements. Any DSH amount payable under this paragraph is reconciled in a subsequent year to account for variances identified between projected uncompensated care costs and actual uncompensated care costs as determined by the independent certified audit performed pursuant to 42 CFR, Part 455, Subpart D.

**Disproportionate Share – Payment Adjustment**

(continued)

The Department will test the calculated disproportionate share payments allocated to each hospital in each year to ensure that payments do not exceed federal limits established under the Omnibus Budget Reconciliation Act of 1993 or Section 1923 of the Social Security Act using protocols established in the DSH Audit procedures developed by CMS. The source data used to compute this limit is the data from the Base Year that was used to set payments in the DSH State Plan Year (SPY).

The Department will ensure that the disproportionate share payments will not exceed the limits.

TN No: 13-013  
Supersedes  
TN No: 11-006

Approval Date: ~~AUG 28 2014~~ Effective Date: 11/01/13